

Morning Report

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Top News

NZ dollar little changed near 10-month high after mixed US data; central bank speakers awaited

The New Zealand dollar was little changed near a 10-month high after mixed US data, close to expectations, kept the greenback near a 13-month low, while locally traders look ahead to speeches by central bank speakers here and across the Tasman.

US existing home sales fell a greater-than-expected 1.8% last month although the median sales price rose, while the US manufacturing PMI rose to 53.2 from 52, almost matching expectations. US data is being closely watched for clues to the chances of a third rate hike by the Federal Reserve this year. Meanwhile, Reserve Bank of Australia Governor Philip Lowe is due to deliver a speech titled "The Labour Market and Monetary Policy" tomorrow and RBNZ assistant governor John McDermott is to speak on economic trends and the bank's flexible inflation targeting framework.

While you were sleeping: Nasdaq hits record

Wall Street was mixed, with the Nasdaq climbing to a record high while the Dow and S&P 500 slipped, as investors digested the latest corporate earnings on both sides of the Atlantic.

"The tech sector is the leading sector so far this year," John Augustine, chief investment officer at Huntington Bank in Columbus, Ohio, told Reuters. "It's going to be important that those FANG [Facebook, Amazon, Netflix, and Google parent Alphabet] stocks set a positive tone and give positive guidance."

In the Dow, declines in shares of General Electric and those of Nike, recently down 2% and 1.8% respectively, outweighed gains in shares of Caterpillar and those of Wal-Mart, recently up 1.2% and 1.1% respectively.

Oil prices climbed after Saudi Arabia, OPEC's No. 1 producer, said it plans to lower exports next month. The country will limit crude oil exports to 6.6 million barrels per day in August, 1 million barrels lower than a year earlier, according to Saudi Energy Minister Khalid al-Falih.

NZ shares rise, Stride, Warehouse Group gain; Fletcher, ANZ, Westpac drop

New Zealand shares gained, led by Stride Property and Warehouse Group, while dual-listed Westpac Banking Corp and Australia & New Zealand Banking Group fell.

Stride Property led the index, up 1.8% to \$1.71, while Auckland International Airport gained 1.7% to \$7.13 and Genesis Energy rose 1% to \$2.59. Sky Network Television was the worst performer, down 2.2% to \$3.49, with Vista Group down 0.7% to \$5.90 and Ryman Healthcare falling 0.7% to \$8.98.

Westpac fell 1.5% to \$34.08 and ANZ Bank dropped 1.1% to \$31.72, continuing to give up gains made last week when the Australian Prudential Regulation Authority (APRA) released its new "capital adequacy" targets, requiring a 150-basis-point increase in the minimum safety reserves that must be held by the big four banks there, less than what some observers feared.

NZX Index				
Index	Last	Change		
S&P/NZX All Index	8,330.74	14.78	↑	0.18%
S&P/NZX 50 Index	7,682.28	11.43	↑	0.15%
S&P/NZX Mid Cap Index	21,797.45	2.81	↓	0.01%
S&P/NZX Small Cap	52,683.95	100.02	↑	0.19%
S&P/NZX All Index	576.61	13.81	↓	2.34%

ASX Index				
Index	Last	Change		
ALL ORDINARIES	5,738.0	33.2	↓	0.58%
S&P/ASX 200	5,688.1	34.7	↓	0.61%
S&P/ASX SMALL ORD	2,355.4	9.0	↓	0.38%
S&P/ASX MIDCAP 50	6,175.6	31.3	↓	0.51%
S&P/ASX 20	3,252.2	19.6	↓	0.6%

Foreign Markets Index				
	Last	Change		
S&P 500	2,469.91	2.63	↓	0.11%
DJIA	21,513.17	66.90	↓	0.31%
Nasdaq	6,410.81	23.06	↑	0.36%
FTSE 100	7,377.73	75.18	↓	1.01%
ALL ORDINARIES	5,738.00	33.20	↓	0.58%
Nikkei 225	19,975.67	124.08	↓	0.62%
Hang Seng	26,846.83	140.74	↑	0.53%

Currencies (per NZ\$ 1.00)				
	Last	Change		
AUD	0.9381	0.0042	↓	0.45%
USD	0.7435	0.0012	↓	0.16%
CNY	5.0170	0.0270	↓	0.54%
EUR	0.6386	0.0002	↑	0.03%
CAD	0.9300	0.0037	↓	0.40%
GBP	0.5708	0.0023	↓	0.40%
JPY	82.5995	0.1355	↓	0.16%

NZ Interest Rates		
	Last	Change
NZ OCR	1.75	
3-month Bank Bill	1.93	
5-year Swap	2.76	
10-year Swap	3.27	

Commodities				
	Last	Change		
Spot Gold \$US	1,255.37	0.81	↑	0.06%
Spot Silver \$US	16.49	0.01	↓	0.08%
Oil(WTI)	46.35	0.58	↑	1.27%

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